

**SUMMARIZED MINUTES  
SCOTTSDALE CITY COUNCIL  
TUESDAY, MAY 17, 2005**



**CITY HALL KIVA  
3939 N. DRINKWATER BOULEVARD  
SCOTTSDALE, AZ 85251**

**CALL TO ORDER**

Mayor Manross called to order a Regular Meeting of the Scottsdale City Council on Tuesday, May 17, 2005 in the Kiva, City Hall, at 5:07 P.M.

**ROLL CALL**

Present: Mayor Mary Manross  
Vice Mayor Betty Drake  
Council Members Wayne Ecton, W.J. "Jim" Lane,  
Robert Littlefield, Ron McCullagh, and Kevin Osterman

Also Present: City Manager Jan Dolan  
Deputy City Attorney Deborah Robberson  
City Clerk Carolyn Jagger

**PLEDGE OF ALLEGIANCE** – Councilman Littlefield led the pledge.

**INVOCATION** – Dave Otto, Ministry Leader for Spiritual Formation, Scottsdale Bible Church

**PRESENTATIONS/INFORMATION UPDATES** - City of Scottsdale and Financial Services Award from Government Finance Officers Association acknowledging Craig Clifford and Finance staff

**PUBLIC COMMENT**

**Nancy Cantor**, 7777 E. Heatherbrae Avenue, 85251, stated that proposed zoning changes could cause elderly residents in the Wheel Inn Trailer Ranch to be displaced and advised that a referendum was being considered.

**Georgie Beard**, 7474 E. Willow Rain Court, expressed concerns about the Radisson Resort changing to condos, associated traffic, and the Scottsdale Airport.

**Robert Bretz**, 7010 E. Continental #16, 85257, asked if there would be compensation for residents forced to move from the Wheel Inn Trailer Ranch, and requested special consideration to protect Scottsdale's senior citizens.

**NOTE** IN ACCORDANCE WITH PROVISIONS OF THE ARIZONA REVISED STATUTES THE SUMMARIZED MINUTES OF CITY COUNCIL MEETINGS ARE NOT VERBATIM TRANSCRIPTS. ONLY THE ACTIONS TAKEN AND DISCUSSIONS APPEARING WITH QUOTATION MARKS ARE VERBATIM. DIGITAL RECORDINGS OF CITY COUNCIL MEETINGS ARE ON FILE IN THE CITY CLERK'S OFFICE.

## **PUBLIC COMMENT (Continued)**

**Ava Nielsen**, 7010 E. Continental #33, 85257, reported that the possible relocation of residents from the Wheel Inn Trailer Ranch was causing a great deal of concern to the neighborhood.

**Neri Lav**, 7010 E. Continental #8, 85257, spoke for those residents of the Wheel Inn Trailer Ranch who are unable to relocate, and suggested the City compensate the residents for their inconvenience.

## **MINUTES**

### **SPECIAL MEETINGS**

April 19, 2005  
April 26, 2005  
May 3, 2005

### **REGULAR MEETING**

April 19, 2005  
May 3, 2005

### **WORK STUDY SESSION**

April 26, 2005

COUNCILMAN OSTERMAN MOVED FOR APPROVAL OF THE SPECIAL MEETING MINUTES OF APRIL 19, APRIL 26, AND MAY 3, 2005; THE REGULAR MEETING MINUTES OF APRIL 19 AND MAY 3, 2005; AND THE WORK STUDY SESSION MINUTES, WITH THE CORRECTIONS PROVIDED BY THE CITY CLERK, OF APRIL 26, 2005. VICE MAYOR DRAKE SECONDED THE MOTION, WHICH CARRIED 7-0.

## **CONSENT AGENDA      ITEMS 1 - 14A AND 14B**

Item 7 was removed from the Consent Agenda for separate discussion.

- 1.      The Firm Restaurant & Lounge (Restaurant) Liquor License**  
**Request:** Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) liquor license for an existing location that previously operated as Hackers Grille.  
**Location:** 10321 N. Scottsdale Road  
**Reference:** 24-LL-2005  
**Staff Contact(s):** Kroy Ekblaw, Planning and Development Services General Manager, 480-312-7064, [kekblaw@scottsdaleaz.gov](mailto:kekblaw@scottsdaleaz.gov); Connie Padian, Customer Service Chief Officer, 480-312-2664, [cpadian@scottsdaleaz.gov](mailto:cpadian@scottsdaleaz.gov)
- 2.      Jasmine Fine Chinese Dining (Restaurant) Liquor License**  
**Request:** Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) liquor license for an existing location that previously operated as Ming's Gourmet.  
**Location:** 10155 E. Via Linda, Suite 135  
**Reference:** 25-LL-2005  
**Staff Contact(s):** Kroy Ekblaw, Planning and Development Services General Manager, 480-312-7064, [kekblaw@scottsdaleaz.gov](mailto:kekblaw@scottsdaleaz.gov); Connie Padian, Customer Service Chief Officer, 480-312-2664, [cpadian@scottsdaleaz.gov](mailto:cpadian@scottsdaleaz.gov)
- 3.      Rawhide Western Town & Steakhouse (Bar) Liquor License**  
**Request:** Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a person transfer of a series 6 (bar) liquor license for an existing location that has changed ownership.  
**Location:** 23023 N. Scottsdale Road

**Reference:** 27-LL-2005

**Staff Contact(s):** Kroy Ekblaw, Planning and Development Services General Manager, 480-312-7064, [kekblaw@scottsdaleaz.gov](mailto:kekblaw@scottsdaleaz.gov); Connie Padian, Customer Service Chief Officer, 480-312-2664, [cpadian@scottsdaleaz.gov](mailto:cpadian@scottsdaleaz.gov)

**4. Outback Steakhouse (Restaurant) Liquor License**

**Request:** Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) liquor license for an existing location that has changed ownership.

**Location:** 4180 N. Drinkwater Boulevard

**Reference:** 28-LL-2005

**Staff Contact(s):** Kroy Ekblaw, Planning and Development Services General Manager, 480-312-7064, [kekblaw@scottsdaleaz.gov](mailto:kekblaw@scottsdaleaz.gov); Connie Padian, Customer Service Chief Officer, 480-312-2664, [cpadian@scottsdaleaz.gov](mailto:cpadian@scottsdaleaz.gov)

**5. Comerica Bank Conditional Use Permit**

**Request:** Consider a conditional use permit for a bank on a 50,000 +/- square foot parcel located at 14801 N. Scottsdale Road with Industrial Park (I-1) zoning.

**Location:** 14801 N. Scottsdale Road

**Reference:** 36-UP-2004

**Staff Contact(s):** Kroy Ekblaw, Planning and Development Services General Manager, 480-312-7064, [kekblaw@scottsdaleaz.gov](mailto:kekblaw@scottsdaleaz.gov); Randy Grant, Chief Planning Officer, 480-312-7995, [rgrant@scottsdaleaz.gov](mailto:rgrant@scottsdaleaz.gov)

**6. X Lofts Rezoning**

**Requests:**

1. Rezone from Highway Commercial District, Downtown Overlay (C-3 DO) to Downtown/Office Commercial Type 2 District, Planned Block Development, Downtown Overlay (D/OC-2 PBD DO) on a 1.43 +/- acre parcel located at 7044, 7050 and 7106 E. Osborn Road and to add the Planned Block Development (PBD) and amend the site plan/stipulations from case 52-ZN-1997#2 on a 1.28 +/- acre parcel located at 7116 and 7126 E. Osborn Road.
2. Adopt Ordinance No. 3615 affirming the above rezoning and amended site plan/stipulations.

**Location:** 7044, 7050, 7106, 7116 and 7126 E. Osborn Road

**Reference:** 52-ZN-1997#3

**Staff Contact(s):** Kroy Ekblaw, Planning and Development Services General Manager, 480-312-7064, [kekblaw@scottsdaleaz.gov](mailto:kekblaw@scottsdaleaz.gov); Randy Grant, Chief Planning Officer, 480-312-7995, [rgrant@scottsdaleaz.gov](mailto:rgrant@scottsdaleaz.gov)

**7. Scottsdale Riverwalk Square Site Plan**

Removed from Consent Agenda for separate discussion. See page 6.

**8. Construction Bid Award for Streetscape Improvements Along McDowell Road – Motor Mile (64<sup>th</sup> Street to Scottsdale Road)**

**Request:** Authorize Construction Bid Award No. 05PB143 to Archon, Inc., the lowest responsive bidder, at their lump sum bid of \$ 1,787,000.

**Related Policies, References:**

- 1991 McDowell Road Streetscape Guidelines
- McDowell Corridor Improvements Master Plan dated 12/12/2002

- Council approved Architectural Services Contract No. 2003-026-COS with EDAW, Inc. on 02/18/2003 for design of McDowell Corridor streetscape improvements  
**Staff Contact(s):** Al Dreska, Municipal Services General Manager, 480-312-5555, [adreska@scottsdaleaz.gov](mailto:adreska@scottsdaleaz.gov)

**Lyle Wurtz**, 6510 E. Palm Lane, 85257, expressed his disappointment in how the banners looked along the Motor Mile area, and requested more restrictions be placed on the car dealers to control the clutter.

**9. WestWorld Improvements Construction Services Contract**

**Requests:**

1. Authorize CM@Risk Contract No. 2005-054-COS with Hunt Construction Group for construction services at a Guaranteed Maximum Price (GMP) of \$5,270,545 for WestWorld projects to be constructed prior to the 2005/2006 WestWorld event season, including Multi-Use Building grading, new show office construction, and paving plan improvements.
2. Authorize estimated payments totaling \$36,000 to APS for this company's direct cost to install new transformers and cabling for electrical service required for the Multi-Use Temporary Tent Structure, Future Multi-Use Building, RV Pedestals and Site Lighting.

**Related Policies, References:**

- Council approved the WestWorld Master Development Site Plan on March 18, 2003.
- Development Review Board approved Case No. 41-DR-2003, WestWorld Design Guidelines, on July 10, 2003.
- Council approved Architectural Services Contract No 2004-132-COS with gh2 Gralla Architects for the design of the WestWorld Exhibit Hall Building on September 7, 2004.
- Council approved CM@Risk Contract No 2004-001-COS with Hunt Construction Group for pre-construction services for the WestWorld Exhibit Hall Building on December 14, 2004.
- Council authorized a Capital Improvement budget and revenue transfer for Phase I design and construction improvements needed prior to the 2005/2006 WestWorld event season on April 5, 2005.

**Staff Contact(s):** Al Dreska, Municipal Services General Manager, 480-312-5555, [adreska@scottsdaleaz.gov](mailto:adreska@scottsdaleaz.gov)

**10. Construction Bid Award for Scottsdale Center for the Arts Restroom Renovations**

**Request:** Authorize Construction Bid Award No. 05PB084 to the lowest responsive bidder, at their lump sum bid (Attachment 1 listing the bidders and respective bid amount will be provided to the City Council on May 11, 2005).

**Related Policies, References:**

City Council approved Architectural Services Contract 2004-030-COS with Douglas Architecture & Planning for preparation of construction documents for facility improvements at SCA on May 4, 2004.

**Staff Contact(s):** Al Dreska, Municipal Services General Manager, 480-312-5555, [adreska@scottsdaleaz.gov](mailto:adreska@scottsdaleaz.gov)

**11. Building Lease for City's Water Operations North Area Work Group**

**Request:** Adopt Resolution No. 6667 authorizing Agreement No. 05PB117-COS with Modular Technology, Inc. to lease a modularly constructed office building to be located at 8700 E. Union Hills Road, within the confines of the City of Scottsdale Water Campus for the Water Operations North Area Work Group.

**Staff Contact(s):** David Mansfield, Water Resources General Manager, 480-312-5681, [dmansfield@scottsdaleaz.gov](mailto:dmansfield@scottsdaleaz.gov)

**12. Amendments to the Scottsdale Revised Code, Chapter 14, Relating to Personnel Policies Regarding Fire Department Employees and Administration; Employee Benefits; and Public Records Laws**

**Request:** Adopt Ordinance No. 3617, amending Chapter 14 of the Scottsdale Revised Code, relating to personnel policies regarding Fire Department employees and administration; employee benefits; and public records laws.

**Related Policies, References:** September 7, 2004 City Council Report/Actions – Fire Department Staffing, Communications (Dispatch) Provider, Funding and Automatic Aid

**Staff Contact(s):** Neal Shearer, Assistant City Manager/Human Resources General Manager, 480-312-2604, [nshearer@scottsdaleaz.gov](mailto:nshearer@scottsdaleaz.gov)

**13. Fire Department Mutual Aid Agreements**

**Requests:**

Adopt Resolution No. 6676 authorizing the following mutual aid intergovernmental agreements for fire protection and other emergency services:

1. Adopt Intergovernmental Agreement #2005-072-COS formally providing mutual aid to the Town of Carefree.
2. Adopt Intergovernmental Agreement #2005-073-COS formally providing mutual aid to the Town of Fountain Hills.
3. Adopt Intergovernmental Agreement #2005-074-COS formally providing mutual aid to the Town of Paradise Valley.
4. Adopt Intergovernmental Agreement #2005-075-COS formally providing mutual aid to the Salt River Pima-Maricopa Indian Community.

**Related Policies, References:** Ordinance No. 3588, Creation Municipal Fire Department, Intergovernmental Agreement #2004-139-COS.

**Staff Contact(s):** William L. McDonald, Fire Chief, 480-312-1880, [wmcdonal@scottsdaleaz.gov](mailto:wmcdonal@scottsdaleaz.gov)

**14. Aerial Water Tanker Agreement**

**Request:** Adopt Resolution No. 6677 authorizing Intergovernmental Agreement #2005-076-COS, Aerial Water Tanker Cost Sharing Agreement with the Arizona State Land Department, a Department of the State of Arizona.

**Staff Contact(s):** William L. McDonald, Fire Chief, 480-312-1880, [wmcdonald@scottsdaleaz.gov](mailto:wmcdonald@scottsdaleaz.gov)

**14A. Termination of City Attorney's Appointment**

**Request:** Consider the termination of the City Attorney's appointment, effective June 6, 2005, and authorize payment of severance pursuant to the terms of the employment agreement.

**Staff Contact(s):** Neal Shearer, Assistant City Manager/Human Resources General Manager, 480-312-2341, [nshearer@scottsdaleaz.gov](mailto:nshearer@scottsdaleaz.gov)

**14B. Appointment of Acting City Attorney**

**Request:** Consider the appointment of Deborah W. Robberson as Acting City Attorney, effective May 17, 2005.

**Staff Contact(s):** Neal Shearer, Assistant City Manager/Human Resources General Manager, 480-312-2341, [nshearer@scottsdaleaz.gov](mailto:nshearer@scottsdaleaz.gov)

**MOTION AND VOTE – CONSENT AGENDA**

COUNCILMAN OSTERMAN MOVED FOR APPROVAL OF CONSENT AGENDA ITEMS 1-14B, WITH THE EXCEPTION OF ITEM 7. COUNCILMAN ECTON SECONDED THE MOTION, WHICH CARRIED 7-0.

ITEM 7 REMOVED FROM CONSENT AGENDA FOR SEPARATE DISCUSSION:

**7. Scottsdale Riverwalk Square Site Plan**

**Requests:**

1. Consider site plan approval as stipulated in Case 65-ZN-1992#4 on a 4.86+/- acre portion of the parcel located northeast of Camelback Road on Scottsdale Road with Downtown Regional Commercial Office, Type 2, Planned Block Development Downtown Overlay (D/RCO-2 PBD DO) zoning.
2. Adopt Ordinance No. 3616 affirming the above site plan approval.

**Location:** South of Highland Avenue and North of Camelback Road and west of the canal

**Reference:** 65-ZN-1992#5

**Staff Contact(s):** Kroy Ekblaw, Planning and Development Services General Manager, 480-312-7064, [kekblaw@scottsdaleaz.gov](mailto:kekblaw@scottsdaleaz.gov); Randy Grant, Chief Planning Officer, 480-312-7995, [rgrant@scottsdaleaz.gov](mailto:rgrant@scottsdaleaz.gov)

Vice Mayor Drake declared a conflict of interest (ARS § 38-501) and left the dais.

Staff reviewed the site plan and stipulations. Clarifications were provided in regard to “stepbacks” (changes in vertical elevation of the building at 26 feet and 38 feet), and an additional 16-foot “setback” (plus the original 48 feet) from the canal for the buildings on the south of the property. In addition, the applicant’s attorney verified the sidewalk along the northern portion of the property would go to the canal, and that improvements to the canal would take place for a half-mile from Camelback to Chaparral Road.

Council members expressed favorable comments regarding the project and the positive impact it will have on Scottsdale.

**MOTION AND VOTE – ITEM 7**

COUNCILMAN ECTON MOVED FOR APPROVAL OF THE SITE PLAN AND ORDINANCE 3616. COUNCILMAN LANE SECONDED THE MOTION, WHICH CARRIED 6-0, WITH VICE MAYOR DRAKE ABSTAINING.

## **REGULAR AGENDA        ITEMS 15-18**

### **15.    Annual Review and Assessment for Downtown Enhanced Municipal Services District No. 2. (EMSD)**

**Request:** Adopt Resolution No. 6670 to accomplish the following:

1. Consider any objections received to the legality of the EMSD assessments for Fiscal Year 2005/06.
2. Establish the FY 2005/06 assessments for EMSD projects as:
  - \$519,077 (assuming no increase from FY 2004/05 assessment rates), or
  - Up to \$532,054 (assuming maximum 2.5% increase from FY 2004/05 assessment rates), or
  - \$0 by not levying any assessments or adopting any EMSD budget.

The budget and spending authority for the EMSD is part of the City's budget process which the City Council will consider for tentative adoption on May 17, 2005 and final budget adoption on June 7, 2005.

**Related Policies, References:**

- Resolution No. 6083—provision of enhanced services within the Downtown Enhanced Municipal Services District No. 2.
- Resolution No. 6112A—adoption of EMSD assessment for FY 2002/03, and contract award for marketing and promotion services.
- Ordinance No. 3532—establishing seven (7) member commission to allocate EMSD funds for marketing, promotion and special events.

**Staff Contact(s):** John Little, Downtown Executive Director, 480-312-2539,  
[jlittle@scottsdaleaz.gov](mailto:jlittle@scottsdaleaz.gov)

Staff presented background information regarding the District and the Commission, how assessments were calculated, and the goals of the District. In addition, it was noted the assessment dollars had changed as follows: \$518,117 (assuming no increase from FY 2004/05 assessment rates), and up to \$531,070 (assuming maximum 2.5% increase from FY 2004/05 assessment rates).

Mayor Manross opened public testimony.

**Gary J. Sprague**, PO Box 1641, Cave Creek, 85327, said he enjoyed working as the Singing Cowboy with his horse Steel in the downtown area and had watched the transformation of downtown with the EMSD working as a team for the whole area. He encouraged the Council to approve the budget.

**George Moerkerke**, 5335 E. Lincoln Drive, Paradise Valley, 85260, said he was opposed to the budget because it was distributed disproportionately. He would rather see the money used for sculptures.

**Edna Stoller**, 7225 E. First Avenue, 85251, spoke in support of the EMSD and all it had accomplished. She urged the Council to approve Option A and adopt the resolution to continue funding the EMSD.

**Lois Fitch**, 1229 N. Granite Reef, 85257, spoke of the success of the Ambassador Program and how well the districts worked together, stating it was based on cooperation, not competition. She explained that funds for promoting downtown were needed because of all the competition

from other shopping areas. Furthermore, she hoped to see free horse drawn trolleys January through March.

**Janet Harris**, 8269 Del Cadena, delivered petitions from business owners stating they no longer supported the EMSD and asking the Council not to approve the assessments for the coming year. She also provided a map indicating about 40 percent of the property owners were protesting the continuation of the EMSD and declared their intent and ultimate objective to terminate the District.

**John Eby**, 3002 N. 73<sup>rd</sup> Street, #C, 85251, asked the Council to disband the EMSD because the reasons for its formation were no longer valid. He said that the subsidizing does not work and it should be up to the merchants to fund events.

**Carroll Huntress**, 4005 N. Scottsdale Road, 85251, stated that the EMSD is controlled by a City commission that is appointed by the City Council and offered remedies for its elimination. These remedies included: returning to an elected board, holding a district-wide vote of the property owners to determine if there is support, and eliminating the funding of the EMSD.

**Dewey Schade**, 7051 E. Fifth Avenue, 85251, said the economic climate has changed in the last ten years; therefore, the original reason for the formation of EMSD no longer exists. He stated that the EMSD is no longer carrying out its original objectives and the funds are not being spent wisely. He asked the Council to stop funding the District.

**Frank Maguire**, 7121 E. Fifth Avenue, 85251, stated that the EMSD funds had been spent wisely and staff and volunteers had worked very hard. He urged Council to continue funding of the EMSD for at least one more year.

**Kathy Duley**, 7100 E Main St, 85251, stated that the EMSD funds have enabled the arts district to expand and enhance the Scottsdale Arts Walk, which is a signature event, allowing increased entertainment, advertisement and public relations in downtown. In addition, she has observed increased cooperation among the districts. She urged continued support of the EMSD because relying on contributions from businesses hadn't worked in the past.

**Ginny Taylor**, 4235 N Marshall Way, 85251, said that the EMSD and merchants have worked very hard in the marketing of downtown. She urged the Council to adopt the proposal to keep the EMSD Commission.

**Judie Pinch**, 7233 E. First Avenue, 85251, presented a petition by ten property owners in favor of continuing the EMSD. She stated the commission and marketing group worked very well together.

**Mike Fernandez**, 4338 N. Scottsdale Road, 85251, spoke in support of the annual budget for the marketing and promotion of downtown, stating that the City could not afford to market downtown aggressively. He suggested that only one marketing person was needed instead of a marketing firm.

**Paul Piazza**, 7136 E. Main Street, 85251, an EMSD commission member, stressed that the funding used for marketing, public relations, and events is absolutely invaluable. He noted that many of the businesses on the map that was presented earlier, along with a petition from protesters, appeared to be either office buildings or vacant.

**Scudder Gookin**, 9862 N. 66<sup>th</sup> Place, 85253, an EMSD commission member, spoke in support of the EMSD. He pointed out that the merchants have banded together and he has noticed a positive change in attitude amongst the districts.

Mayor Manross closed public testimony. Seven additional Comment Cards were received from citizens not wishing to speak: three opposed, three in support, and one undesignated.

Council and staff discussion:

- There have been many issues with the EMSD commission format and it was not as successful as it was hoped it would be. The EMSD has failed to achieve an overall, well-coordinated marketing plan, and many Council Members stated that it appeared the EMSD had outlived its usefulness.
- The EMSD implemented some very successful programs, including the Ambassador program, the trolleys, the singing cowboy, the Concierge Program and maps of downtown. Support was shown for continuing these programs.
- It was suggested that the continued marketing of downtown be accomplished by an entity other than the EMSD. One council member suggested a more sophisticated form of partnership, like the LLC recently formed by the Motor Mile Association. Another suggestion was a private-sector initiative based on a combination of the downtown staff, other City staff, the Convention and Visitors Bureau, the Chamber of Commerce, and a new merchant's association that is separate from the owners, or some other group combination, where the Chamber and City would be players, but the program would not be run through the City.
- It was noted that the residential and commercial mix in the downtown was changing, and that marketing plans would need to address both tourism and residential needs. The Chairman of the Chamber of Commerce confirmed that the Chamber would be interested in assisting with the marketing plans for downtown.
- Staff clarified that action to disband the EMSD and Commission could not occur at tonight's meeting, as it had not been agendaized.
- The process for disbanding the district could be accomplished by either adopting a resolution to terminate the district, or waiting until the deadline in 2006, which was established at the time the district was created.

### **MOTION – ITEM 15**

COUNCILMAN LITTLEFIELD MOVED TO ADOPT OPTION B, "DECLINE TO ADOPT RESOLUTION NO. 6670 AND CONSIDER OTHER OPTIONS FOR MARKETING AND PROMOTING THE DOWNTOWN". COUNCILMAN LANE SECONDED THE MOTION.

Acting City Attorney Robberson suggested amending the motion to "adopt a resolution for zero assessment" to clarify that there would be no assessment to the EMSD this year.

THE MAKER OF THE ORIGINAL MOTION, COUNCILMAN LITTLEFIELD, AGREED TO AMEND THE MOTION TO ADOPT A RESOLUTION FOR ZERO ASSESSMENT. THE SECOND TO THE ORIGINAL MOTION, COUNCILMAN LANE, ALSO AGREED TO THE AMENDMENT.

THE MOTION, AS AMENDED, CARRIED 7-0.

Mayor Manross asked staff to begin working on different processes for marketing and promoting downtown.

**16. Public Hearing and Adoption of Rates and Fees Ordinance and Resolutions**

**Requests:**

1. Accept citizen comments at a public hearing regarding proposed rates and fees.
2. Adopt Resolution No. 6654 and Ordinance No. 3613 amending Scottsdale Revised Code Chapters 24 and 49 for Water, Sewer, and Solid Waste Fees, by 1) increasing water rate revenues 3.5 percent and sewer rate revenues 4.0 percent, effective November 1, 2005; 2) implementing a three-tier water rate structure, effective November 1, 2005; and 3) implementing administrative housekeeping items.
3. Adopt Resolution No. 6665 approving and adopting the Community Services Department Guidelines for Programming Fees and Facility Reservation and Use Costs.
4. Adopt Resolution No. 6673 approving and adopting a 3.0 percent increase to Planning and Development Services fees.

**Related Policies, References:**

- Resolution No. 6488: A Resolution of the City of Scottsdale, Arizona, Establishing Financial Policies Section 1. Operating Management Policy Number 8: "Enterprise (Water, Sewer, Solid Waste Management, and Airport) user fees and charges will be examined annually to ensure that they recover all direct and indirect costs of service and be approved by City Council." "Rate adjustments for enterprise operations will be based on five-year fund plans."
- Resolution No. 6488: A Resolution of the City of Scottsdale, Arizona, Establishing Financial Policies Section 1. Operating Management Policy Number 9: "All non-enterprise user fees and charges will be examined annually to determine the direct and indirect cost of service recovery rate. The acceptable recovery rate and any associated changes to user fees and charges will be approved by the City Council."
- Water and Sewer Rates and Fees, Scottsdale Revised Code, Chapter 49
- Solid Waste Rates and Fees, Scottsdale Revised Code, Chapter 24
- Ordinance No. 2022, July 18, 1988, establishing a process for setting fees and charges for City recreation facilities, equipment, and programs
- Scottsdale Revised Code Sections 20-51 and 20-52; Resolution No. 6314, adopted June 16, 2003, pertaining to Community Services Department Fees and Charges
- Building and Development Fee Schedule, Scottsdale Revised Code, Chapter 46
- City of Scottsdale Official Schedule of Rates and Fees

**Staff Contact(s):** Craig Clifford, Chief Financial Officer, 312-2364, [cclifford@scottsdaleaz.gov](mailto:cclifford@scottsdaleaz.gov); Dave Mansfield, Water Operations General Manager, 312-5681, [dmansfield@scottsdaleaz.gov](mailto:dmansfield@scottsdaleaz.gov); Mary O'Connor, Transportation General Manager, 312-2334, [mconnor@scottsdaleaz.gov](mailto:mconnor@scottsdaleaz.gov); Al Dreska, Municipal Services General Manager, 312-5555; [adreska@scottsdaleaz.gov](mailto:adreska@scottsdaleaz.gov); Deb Baird, Community Services General Manager, 312-2480, [dbaird@scottsdaleaz.gov](mailto:dbaird@scottsdaleaz.gov); Kroy Ekblaw, Planning and Development Services General Manager, 312-7064, [kekblaw@scottsdaleaz.gov](mailto:kekblaw@scottsdaleaz.gov)

Staff presented an overview of the proposed rates and fees for water (3.5%), sewer (4.0%), solid waste (no increase), and aviation (no increase), as well as new fees for new CIP facilities, Community Services, and Planning and Development Services.

### **MOTION AND VOTE – ITEM 16**

COUNCILMAN OSTERMAN MOVED FOR ADOPTION OF RESOLUTIONS 6654, 6665, AND 6673. COUNCILMAN LITTLEFIELD SECONDED THE MOTION, WHICH CARRIED 7-0.

#### **17. Comprehensive Financial Policies Guidelines**

**Request:** Adopt Resolution No. 6674 relating to Comprehensive Financial Policies as the formal guidelines for the City of Scottsdale's financial planning and management.

**Staff Contact(s):** Craig Clifford, Financial Services General Manager, 480-312-2364, [cclifford@scottsdaleaz.gov](mailto:cclifford@scottsdaleaz.gov)

Staff reviewed the process for developing Comprehensive Financial Policies. Financial Services General Manager, Craig Clifford, and City Manager, Jan Dolan, explained the strategy behind the proposed 50/50 split of the transportation tax between capital and operating budgets. Regional funds will provide \$800M to the City over the next 20 years to go toward the freeway system through Scottsdale, transit needs, and arterial streets. The City's local match is about \$130M.

### **MOTION AND VOTE – ITEM 17**

COUNCILMAN ECTON MOVED FOR ADOPTION OF RESOLUTION 6674. COUNCILMAN OSTERMAN SECONDED THE MOTION, WHICH CARRIED 7-0.

#### **18. Public Hearing on the Proposed FY 2005/06 Operating Budget and Capital Improvement Plan**

##### **Requests:**

1. Solicit public testimony on the FY 2005/06 Operating Budget and Capital Improvement Plan. The City Council receives public input relative to the proposed FY 2005/06 Operating Budget and Capital Improvement Plan, and adopts the Tentative Budget estimates in accordance with Arizona State Statutes and the City Charter.
2. Adopt Ordinance No. 3618, the Tentative Budget estimates for FY 2005/06. Adoption of Ordinance No. 3618 sets the City's maximum spending limit for FY 2005/06. The maximum expenditure limit established with the Tentative Budget Adoption may be reduced by City Council before the Final Budget Adoption takes place. Under State law, once the Tentative Budget estimate is adopted, the City Council may not increase the maximum expenditure limit.

**Staff Contact(s):** Craig Clifford, Financial Services General Manager, 480-312-2364, [cclifford@scottsdaleaz.gov](mailto:cclifford@scottsdaleaz.gov); Art Rullo, Budget Director, 480-312-2435, [arullo@scottsdaleaz.gov](mailto:arullo@scottsdaleaz.gov)

Staff reviewed the proposed budget, which had been updated since the last meeting to reflect the subcommittee recommendations of \$87,000 for additional office space for the Scottsdale Cultural Council, \$7,500 for the Preserve Connections Program, \$150,000 for Mescal Park Improvements, and \$500,000 to fund feasibility studies for possible power line undergrounding, all to be funded from the General Fund unreserved fund balance. In addition, a contingency line was provided for photo radar enforcement on the 101 Freeway. Staff will come back with a maximum dollar amount to be set.

## **MOTIONS – ITEM 18**

COUNCILMAN LITTLEFIELD MOVED TO ADD \$244,584 TO THE BUDGET FOR TWO ADDITIONAL CODE INSPECTORS. VICE MAYOR DRAKE SECONDED THE MOTION, WHICH CARRIED 7-0.

COUNCILMAN MCCULLAGH MOVED TO AUTHORIZE A DOWNTOWN OPEN SPACE PROJECT WITHIN THE PROPOSED CAPITAL IMPROVEMENT BUDGET AND TO AUTHORIZE AN ADDITIONAL \$500,000 IN THE DEBT SERVICE BUDGET FOR ANY FINANCE COSTS ASSOCIATED WITH THE PROJECT. COUNCILMAN LITTLEFIELD SECONDED THE MOTION, WHICH CARRIED 7-0.

It was clarified that the purpose was to identify locations for acquisition of open space in the downtown area and set aside money in a program. These appropriations would come back to Council for approval.

VICE MAYOR DRAKE MOVED TO ADD \$2500 FOR THE MEMBERSHIP FEE FOR ARIZONA TOWN HALL. COUNCILMAN OSTERMAN SECONDED THE MOTION, WHICH CARRIED 7-0.

VICE MAYOR DRAKE MOVED TO ADD \$100,000 FOR AREA-WIDE SUPPORT FOR EVENTS, MATERIALS, AND PROGRAMS FOR DOWNTOWN MARKETING.

After staff confirmed that the full EMSD proposed budget was still in the FY 2005/2006 budget, with about \$35,000 over and above the assessment, and that staff will come back with a program for promoting downtown, VICE MAYOR DRAKE WITHDREW THE MOTION.

COUNCILMAN LITTLEFIELD MOVED TO ADOPT ORDINANCE 3618, THE TENTATIVE BUDGET ESTIMATES FOR FY 2005/2006, AS AMENDED BY THE ABOVE MOTIONS. COUNCILMAN ECTON SECONDED THE MOTION, WHICH CARRIED 7-0.

## **PUBLIC COMMENT**

**Darlene Petersen**, 7327 E. Wilshire Drive, 85257, expressed her objections regarding a speaker on the EMSD issue who had not submitted a card. She stated the signs along Scottsdale's Motor Mile are not attractive or needed.

## **CITY MANAGER'S REPORT - None**

## **MAYOR AND COUNCIL ITEMS**

### **19. Citizens' Petition Regarding Renewal of the Coronado Golf Course Lease**

A citizens' petition was presented at the May 3, 2005 City Council meeting. The signers petitioned the Council to meet as soon as possible to discuss renewal of the Coronado Golf Course lease. This item is currently scheduled for Council consideration on June 21, 2005.

**Request:** (1) Agendize consideration of the petition for future discussion for a date other than June 21, 2005, or (2) vote to take no further action on the petition.

As the Coronado Golf Course Lease is already agendized for June 21, 2005 to consider options for the site, there was no support for changing the date. Councilman Littlefield noted that at a meeting with the homeowners association neighboring Coronado Golf Course, two requests were made: (1) retain the area as open space, and (2) maintain the site better than it is currently being maintained.

#### **MOTION AND VOTE – ITEM 19**

COUNCILMAN LITTLEFIELD MOVED TO TAKE NO FURTHER ACTION ON THE PETITION. COUNCILMAN MCCULLAGH SECONDED THE MOTION, WHICH CARRIED 7-0.

#### **20. Citizens' Petition Seeking a Charter Amendment Regarding Subsidies in Excess of \$1,000,000 for Nonessential City Services**

A citizens' petition was presented at the May 3, 2005 City Council meeting. The signers petitioned the Council to seek an amendment to the Charter to require voter approval for subsidies for nonessential city services in excess of \$1,000,000, and to prohibit the use of an "emergency clause" for any ordinance providing a subsidy in excess of \$1,000,000 for nonessential city services.

**Request:** (1) Agendize consideration of the petition for future discussion and action, or (2) vote to take no further action on the petition.

Councilman Lane noted that the petition contained a moderate proposal, and suggested putting the issue on a ballot for the citizens to decide.

#### **MOTION – ITEM 20**

COUNCILMAN LANE MOVED TO AUTHORIZE STAFF TO FORMULATE A RESOLUTION FOR A CHANGE IN THE CITY CHARTER. COUNCILMAN LITTLEFIELD SECONDED THE MOTION.

Council discussion:

- It was pointed out that it could cost as much as \$200,000 to hold an election to put a million dollar investment to a vote, which would add a significant overhead cost to the project.
- One council member spoke against the use of emergency clauses, emphasizing that voters should have the right to the referendum process following a vote of the Council.
- The system for subsidies worked well right now and a change would tie the hands of the Council.
- The City has a good history of successful investments as evidenced, by the AAA bond rating and fiscal management awards.
- The Council has been judicious, careful, responsible, and used incentives sparingly. In a study conducted by staff on the 18 projects that the City has invested in, nine of those were for less than \$1M, so they would not have been impacted by this measure. Only four of the remaining nine projects would have been potentially impacted, and may have required a public vote. These four projects have been very important to the City and can be considered redevelopment projects, but not necessarily considered essential services.

- Council members are elected to make good financial decisions, to ensure essential services are provided to the City at the least cost, and to sustain economic development. It was noted that the Council is taking steps to work out agreements with border cities for revenue sharing and formation of revenue sharing zones.
- Councilman McCullagh indicated that while he agrees philosophically with the position put forward in the motion, he did not want to unilaterally enact it in this context. He stated it did not make sense without similar actions by the communities surrounding the City with whom we compete for revenue.

Mayor Manross opened public testimony.

**Rick Kidder**, Scottsdale Chamber, 7343 Scottsdale Mall, 85250, said public officials were elected to exercise their best judgment, to hear all sides, and draw the best conclusions. No mistakes have been made in regard to subsidies and it would be wrong to tie Council's hands.

Mayor Manross closed public testimony.

#### **VOTE – ITEM 20**

THE MOTION FAILED 2-5, WITH MAYOR MANROSS, VICE MAYOR DRAKE, AND COUNCILMEMBERS ECTON, MCCULLAGH, AND OSTERMAN DISSENTING.

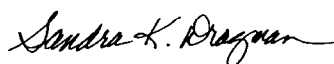
#### **ADDITIONAL MAYOR AND COUNCIL ITEMS**

Vice Mayor Drake thanked the City Manager and staff for providing updated information on the status of scenic corridors. She noted the Planning Commission is holding a hearing on July 13, 2005 to discuss this item.

#### **ADJOURNMENT**

With no further business to discuss, the meeting adjourned at 8:36 P.M.

#### **SUBMITTED BY:**



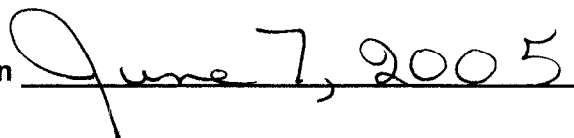
**Sandy Dragman**  
Recording Secretary

#### **REVIEWED BY:**



**Carolyn Jagger**  
City Clerk

Officially approved by the City Council on

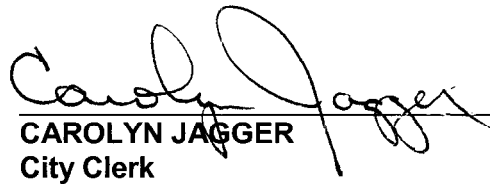


### **CERTIFICATE**

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the City Council of Scottsdale, Arizona held on the 17<sup>th</sup> day of May 2005.

I further certify that the meeting was duly called and held, and that a quorum was present.

**DATED** this 8th day of June 2005.

  
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**CAROLYN JAGGER**  
City Clerk